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# SPEECH

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OF

HON. A. M. ROSS,

IN THE

ONTARIO LEGISLATURE,

ON MOTION FOR CONCURRENCE IN RESOLUTIONS OF QUEBEC  
CONFERENCE, MARCH 7TH, 1888.



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Hon. A. M. Ross, rising amid cheers, said :—I think, Mr. Speaker, it is much to be regretted, that the hon. leader of the Opposition, in leading the criticism on the propositions for the amendment of the Constitution, should have sought to impart into this debate a spirit of partisanship and acrimony, altogether out of place in the consideration of the question before the House. (Hear, hear.) I am glad to see that, with the exception of his second lieutenant, the hon. member for Toronto (or perhaps I am doing the hon. gentleman an injustice. I perhaps ought to have said first lieutenant, as it looks as if the hon. member for North Grey had been deposed)—I say I am glad to see, that with the exception of the hon. member for Toronto, the other Opposition speakers have had the good sense, to refuse to follow in the unworthy path of criticism marked out for them, and have endeavored to discuss the propositions in a logical and temperate manner. I think I may especially compliment the hon. member for East Durham as being the first to lead off in this much more appropriate manner of dealing with the subject. His speech, both in tone and argument, was much better than that of his leader. It may not have been so fluent or frothy, but it was more argumentative, and dealt with the proposed amendment in a manner more befitting the subject. I think I may extend the same compliment to that of the hon. member for Grenville, who, in the main, applied his criticisms in a business-like way, befitting a deliberative body called upon to deal with a subject as grave and momentous as the amendment of our Constitution.

The fact is, that the older members of the House are getting a little tired of this old loyalty speech of the hon. gentleman from London ; they have heard it almost *verbatim et literatim*, session after session. When first delivered, some eight or ten years ago, it was amusing and piquant, but after frequent repetitions it becomes stale and uninteresting. It is like witnessing a play when you have been a dozen times at the rehearsal. (Laughter.) You thoroughly know the plot. You know when the colored fire is to be introduced. You know when the particular studied and well-rehearsed attitude of raising the hands and bowing to the mimic company of rustics on the stage is assumed, it is the preconcerted signal for these rustics to throw up their paper hats, the village band to blare their trumpets, and the little boys to frantically beat their big and little drums. (Cheers

and laughter.) Indeed, the stage character of the performance does not cease upon the drop of the curtain. No matter how tedious and hackneyed it has been, we know from past experience of years, that next morning, in the paper which gets the advertising of the comedy company, the old familiar complimentary notice will appear, That the actor carried the house by storm, That he electrified the audience, That the exhibition was the grandest attraction of the day, and the performer the greatest living actor of the age. (Great laughter.) That all the subordinates, even to the local scene shifter—(laughter)—played their parts to perfection, and bid fair to become stars in the profession. (Cheers and laughter.)

But while this loyalty farce has its comic side, it has also its serious aspect. Does it never occur to the member for London; that charging a majority of the people of this Province with disloyalty, and the fostering of rebellion, is a very serious thing, and to a true son of Ontario ought not to be indulged in for the mere purpose of pointing an argument, padding a speech, or having a fling at a political opponent. (Hear, hear.) If the leader of the Government is disloyal, and if his colleagues are disloyal, the majority of the people of this Province are disloyal, because, although the hon. gentleman, election after election, has appealed to the electors on every hustings on this loyalty cry, charging the Liberal party with disloyalty, the people of this Province have repeatedly, again and again, expressed their confidence in the Government by increased majorities, and have indignantly cast the slander back in his teeth.

What is now the immediate cause of the reiteration of this charge? It is partly because the Government have presumed to attend a conference of the chosen representatives of the Provinces, to consider patriotically what are the evils in the present relations between the Provinces and the Dominion which are causing irritation and discontent, and how these could be removed to make the Federal Union work more smoothly. This is called a "conspiracy, and hatching rebellion." The hon. gentleman who had just sat down had complained that the leader of the Opposition and leading Conservatives had not been invited. Was not the true and only leader of that party, Sir John Macdonald, together with all his Cabinet, invited? (Hear, hear.) Was not every Conservative Provincial Government invited? (Hear, hear.) Would the hon. leader of the Opposition himself have attended? He would not have got permission. But if he had attended, would hon. gentlemen opposite and their organs, have branded him as a conspirator and being there to hatch rebellion? (Hear, hear.) But the circumstance, Mr. Speaker, that has more immediately called forth this exhibition of theatrical horror is, that the representatives of Nova Scotia in taking part in the conference desired to be understood, that while cordially joining in the deliberations of the conference, and endeavoring to find a remedy for the evils of which that Province complains, their action in taking part in this deliberation, was not committing the Province to an abandonment of the right of the people of that Province to agitate for a repeal of the union, if the evils under which they felt they labored were not removed. (Hear, hear.)

Now, in the first place, the circumstances under which that Province was brought into Confederation must be borne in mind. It is well known that they were coerced against their will into the Union—that by blandishments and bribes the Federal Government secured a majority of the Legislature in favor of the Union, but the people at the first opportunity unanimously repudiated their action. With one solitary exception, the representatives, who had so misrepresented the Provincial feeling, were defeated on an appeal to the people. We know that to allay the bitter animosity with which the union was viewed by the Nova Scotians, the sanctity of the original compact, and the B. N. A. Act was invaded, and better terms given to Nova Scotia, and the head and front of the repeal agitation, the Hon. Joseph Howe, was captured by a seat in the Cabinet; but the people of Nova Scotia have never yet cordially accepted the situation. The question of repeal of the union, and a return to their original position as a separate province, was directly put to them at the late general election for the Legislature, and the Local Government—committed to agitation for repeal unless relief could be had from the burden which oppressed them—was sustained by an overwhelming majority of the people. Was it improper for this Government, so committed, and so feeling the

injustice under which they were suffering, to say at the opening of the conference, "We are willing to meet the representatives of the other provinces to discuss any remedies that may be proposed, but it must be understood that the people of our province must not be debarred, if these remedies are insufficient, to still seek relief by constitutional means in a withdrawal from the union." And hon. gentlemen call this disloyalty, and incipient rebellion, and say those who met with them to seek how the discontent could be removed were "disloyal," "conspirators," "shaking hands with rebels." Where, I ask, was the true loyalty to the Dominion? Was it not with those who, recognizing that such irritation and dissatisfaction must proceed from some cause, sought by conference and discussion to remove the irritation and consolidate the union, rather than with those who, wilfully shut their eyes and closed their ears to the representations made, and although respectfully invited to discuss these causes of dissatisfaction, absolutely refused even to consider them? Was it not better to discuss the causes of dissatisfaction, and seek an equitable path for their removal, rather than to allow that dissatisfaction to foster and grow under contemptuous indifference until it culminated in disruption, or through "callous neglect" drive a suffering people into rebellion, as was done in the North-west. (Great applause.) But these kid-gloved loyalty gentlemen, would be contaminated forsooth, by sitting at the same table with those who would even hint at such a thing as disunion. They could not tolerate, that a man like Mr. Fielding or Mr. Longly, should believe that his Province would thrive better as a separate Province, connected direct with the Empire, as before Confederation, than under the sway of their benign, honest, moral, truthful, satin-breeched\* political deity at Ottawa. It was intolerable that such a fellow should come between the wind and their nobility. (Laughter.) Mr. Speaker, they were not always so squeamish. Their party god has not always frowned upon those who have threatened secession. Nor has he refused to raise to the priesthood in the party, those who openly advocated annexation. (Hear, hear.) Nay, that divinity himself has not hesitated to serve under those red-handed from open rebellion. (Hear, hear.) The hon. member from Essex has already shown that three of the prominent leaders of that party to-day—Galt, Macpherson and Abbott—were open advocates of annexation; and all, after this grave offence, taken to the bosom of the party as chiefs and leaders, and two of them knighted on the recommendation of the Tory chief. It is matter of history that Sir George Cartier was in open rebellion, proclaimed, and a price set upon his head. Yet he was not thought unworthy to be raised to the position of high priest of the super-loyal party, nor did Sir John's sensitive loyalty prevent him from serving under him; and yet these gentlemen wish the public to believe that the nausea they profess to feel, for those who desired to leave the way open to constitutional agitation for the redress of grievances, is genuine, and not the veriest clap-trap. But, Mr. Speaker, we have a case where a Conservative Premier not merely desired to leave the way open for constitutional agitation, but actually secured the acceptance by a Legislature directly under his control, of a resolution, asserting the right of the Province to withdraw from Confederation, and threatening to do so unless certain grievances, of which the Province had, in his opinion, a right to complain, were redressed. Hon. Mr. Walkem, Conservative Premier in British Columbia, in 1878 placed upon record on the journals of the Legislative Assembly "that he felt compelled, in the defence of the interests of the people of British Columbia, in the event of the grievances of that Province not being removed, to ask that the Province should have the right to withdraw from the Union and have the right to collect their own customs and excise duties." (Applause.) And I never heard that he or his Conservative followers, were ever read out of the Conservative party. On the contrary, that exhibition of independence being in the interest of the Conservative party, he was rewarded by Sir John, by being raised to the position of Chief Justice of the Province. Mr. Speaker, is it not time that this cant of super-loyalty on the part of hon. gentlemen opposite, and charging disloyalty on the part of the Liberal party, was put an end to and frowned down? I do not charge, notwithstanding all the instances in which they have toyed with annexation and rebellion

\* Vide *Grip's* cartoon of Sir John as a G. C. B.



already referred to, that the Conservative party are disloyal. It would be criminal to do so. I believe they are as loyal as the Reform party—

Mr. MEREDITH—Hear! hear!

Mr. ROSS.—No less, no more. (Ministerial cheers.)

The only difference is, perhaps, that the Conservative party are more apt, when the clouds of political adversity overshadow them, to seek relief in little petulant ebullitions of temper, such as burning Parliament buildings, rotten-egging a Governor-General, or insulting an heir apparent. (Cheers.) But when the political sun shines out again, with patronage and pap in his beams, the cockles of their hearts are warmed. they don their loyal toggery, flaunt their coloured ribbons, shoulder their wooden gun, and swagger like any Falstaff. (Loud applause and laughter.) That description of lip-loyalty is cheap, it costs nothing, and its value is less than its cost. Its value is arrived at by the old school-boy rule of "take nothing from nothing and nothing remains." This description of loyalty, for which the hon. gentleman seems to have taken out a patent, is of the sarsaparilla pop variety—a little noise, a little froth, a little gas—and all the life and vitality are gone when the cork is drawn. The residue is dishwater. (Laughter.) Now, I do not say that the whole of the hon. gentleman's speech was made up of this fustian. Some of it was legitimate argument, and he can be argumentative and logical when he likes; but I do say that the leading characteristic of the speech, was not an effort to consider the propositions on their merits, but a set determination to lead the discussion into party lines, and to have the resolutions treated in a partisan spirit; and this loyalty cry, and waving of the flag episode, was either merely a device to draw a herring across the scent, or an involuntary drop into an old rut which, from force of habit he could not resist. So much for this loyalty cry. Let us now get down to business. And before entering upon that branch of the subject which I intend mainly to deal with—the financial—let me for a moment touch upon one other of the resolutions. I mean that regarding reform of the Senate. The Hon. the Attorney-General has frankly admitted that instead of the proposition contained in the resolution, he would have preferred to abolish the Senate altogether.

In that view many on this side of the House, and no doubt some on that would concur; but one Province cannot get everything its own way. The Senate was designed for the protection of the smaller Provinces, not the larger, and for that purpose they were given a proportionately larger representation in it. The question is, Is it fulfilling, as now constituted, this main purpose of its existence? Is it representative of the Provinces? No one would have the hardihood to say it is. It is only representative of the Government and party, who for the time being has the power of making the appointments, and in making the appointments, there has been a glaring and dishonourable departure from the express promises and agreement, upon which the consent of the representatives of Canada was obtained to this mode of appointment. Let me quote the fourteenth resolution to show the spirit in which it was proposed these appointments should be made.

14. "The first selection of the members of the Legislative Council shall be made, except as regards Prince Edward Island, from the Legislative Councils of the various provinces so far as a sufficient number be found qualified and willing to serve; such members shall be appointed by the Crown at the recommendation of the General Executive Government, upon the nomination of the respective Local Governments, and in such nomination due regard shall be had to the claims of the members of the Legislative Council of the opposition in each Province, so that all political parties may, as nearly as possible, be fairly represented."

Now, in that resolution the leading objects are:—First, That the Local Governments in each Province shall have the nomination of who shall be the representatives of the Province, and that is reasonable. These Local Governments are constitutionally and logically presumed to rightly represent the people of the Provinces, and are the best fitted, therefore, to nominate the Senators who are to represent the Province. Second, That both political parties shall, as nearly as possible, be fairly represented. But hon. gentlemen may say, Oh, that was only to apply to the first appointments. But even if there had been nothing more, it logically follows; that if it was right and proper that the Provinces should have the right of nomination in regard to the first appointment, so that

the appointees should be actually representative, it is equally right and proper that they should have the same right in future appointments; also, if it was equitable and fair that all political parties should be fairly represented in the first constitution of the Senate, it is equitable and fair that this equitable principle should be carried out in subsequent appointments.

The first essential was, that the Provinces were to have representation in the Senate, and to be represented by men who were presumed to be truly representative of the Provinces for which they were appointed. The second was that all political parties were to be fairly represented in each Provincial contingent. The promise was distinctly given that this was the principle which was to govern future appointments. Let me read the promises made by some of these fathers of confederation. Sir E. P. Tache, in contrasting the partizan appointments made between 1841 and 1848, with the manner in which they proposed to make the appointment, said:—

“Now, honourable gentlemen, what was the spirit which actuated the appointments to the Council from 1841 to 1848? It was a spirit of partizanship, and where there is partizanship there can be no justice. (Hear, hear.) Where there is partizanship there can be no stability—you can depend upon nothing. (Hear, hear.) It is only when justice is rendered to all parties that you can reckon upon stable and permanent governmental institutions. (Hear, hear.) To shew the difference between the spirit which actuated these nominations, from 1841 to 1847, and the spirit which exists now, it is only necessary to refer to the resolutions of the Conference. The fourteenth resolution says: ‘And in such nomination due regard shall be had to the claims of the members of the Legislative Council of the Opposition in each Province, so that all political parties may, as nearly as possible, be fairly represented.’”

The Hon. Mr. Cauchon said:—

“The Conference has engaged, by the terms of the scheme, to respect the rights of the Opposition, and any Government who should fail to carry out so solemn an engagement would well deserve to lose the public confidence.”

Sir Hector Langevin was also indignant that any suspicion should exist that the appointments would be made from partizan or political motives. Hear what he says:—

“That honourable gentleman objects to the appointment of the Legislative Councillors by the Central Government, and adds that those councillors will be appointed by a Tory Government, and will necessarily be selected from among the Tories. In making that assertion the honourable member did not act with that frankness which we are entitled to expect from him. (Hear, hear.) He hardly alluded, if he did so at all, to the clause in the resolutions by which the Opposition, in the different parts of the Confederation are protected. In that clause it is provided that the Central Parliament, in making the appointments in question, shall be careful to watch over the interests of the Opposition as well as over those of the Ministerial party. Now, Mr. Speaker, when a Government binds itself in this way, is it reasonable and fair to believe or to suppose that it will break its word, which has been so solemnly pledged? For my part, I am convinced that the members of the present Government, should they form part of the Central Government, would fulfil what has been promised, and would watch over the rights of the Opposition as over those of the other party.”

Now, Mr. Speaker, how have these promises been fulfilled? Let us see if in any sense the appointments have been non-partizan, or of men who could be fairly claimed to have the confidence of the Provinces they were supposed to represent. I have here a list of the appointments made to the Senate, during the last tenure of office of the gentlemen in power at Ottawa now, 1878 to the present. It includes only those in the Senate now. It would have been more striking even, if it included those who had been appointed and either died or vacated office during this time, but as it is, it is amply sufficient for my purpose. I find there are thirty-one Senators sitting at Ottawa now appointed during that time, thirty Conservatives and one Liberal. (Cheers.) It is the exception that proves the rule, and the one Liberal proves that it is the rule to ignore the Liberal party in these appointments. Then let us see if those appointed, could be claimed to be men whom the Provinces desired. Surely if it is the Provinces that are to be represented, no man ought be appointed that the people of the Provinces have distinctly declared they have no confidence in. And yet we find that out of these thirty Conservatives, who were appointed for life to represent the respective Provinces, eight of them had been distinctly told by the people of the Provinces, that they could not trust them even for five years. (Hear, hear.)



Thus Mr. J. B. Plumb was made a Senator in February, 1883, having been defeated at the previous general election but a few months past. Mr. O'Donohoe had been made a Senator after being rejected three times by the people.

Mr. MEREDITH—A Grit candidate.

Mr. Ross said that Mr. O'Donohoe was considered a very good Conservative when he was appointed, and until he attacked Sir John for breaking his promises to him, and Mr. O'Donohoe was a leading Conservative missionary in the local elections of 1883.

Then there was Mr. J. G. Ross, who was raised to the Senate after being twice rejected by the people.

Mr. MEREDITH—He was not defeated. He was a member of the Legislative Council.

Mr. Ross—The hon. gentleman is mistaken. I find this record in The Parliamentary Companion, "Unsuccessful candidate at general elections in 1873 and 1878." (Cheers.)

Mr. Merner, of Waterloo, was defeated twice in Parliamentary elections, in 1877 and in 1882, but was thought fit to be a life Senator in 1887.

I need not go over the rest of the list, amongst whom I might name Sullivan, and Shultz, but I ask can these men be fairly held to properly represent a Province for life in which they could not find a constituency willing to trust them for even five years? Will any man say that a senate so constituted and with such a record does not require reform? The resolution proposed to the House is not arbitrary. It says, "in case no other early remedy is provided" the proposed manner of appointment should be adopted, and the manner in which the Province should choose its quota is not defined, but left open for consideration and arrangement.

Mr. Speaker, I will now proceed to the consideration of the seventeenth resolution. I regret that the criticisms on the financial propositions in the resolutions, both from the honourable member for London and the honourable member for Toronto, have been of so frivolous and unsubstantial a character, that I have almost to apologize to the House for referring or replying to them. What was the honourable member for Toronto's criticisms? That when the population of the Dominion doubled, the Federal Government would be embarrassed by the enormous amount of \$7,819,817, as subsidies under the proposition in the resolutions instead of the \$4,182,000 which is paid now, and that the Dominion Government would then be charged with extravagance in consequence of this increase. Well, Mr. Speaker, the date fixed by the honourable member is so remote that neither we, nor our children, nor perhaps our grandchildren, will survive to wrestle with the difficulty. If the population of the Dominion increases but at the same rate as during the last ten or twenty years, it will be seventy years before we are called upon to deal with this problem. But if we must look so far into futurity, and exercise ourselves over the problems our grandchildren may have to solve, I will propound a few others, which they will have to grapple with. For instance, if the taxation of the Dominion increases during these next seventy years as rapidly as during the past ten years, it will then amount to \$105,000,000 per annum, instead of the \$28,000,000 it is now. (Hear, hear.) If by persistence in the same folly and extravagance, the expenditure at Ottawa increases at the same rate it has in the past, it will, in seventy years, amount to \$122,000,000 a year, and if by continued recklessness the debt goes on piling up at the same rate, it will amount then to \$670,000,000; and then amongst all this taxation, expenditure and debt, the paltry three million or so of extra subsidy will be the tiniest drop in the bucket. (Cheers.) The fact is that the honourable gentleman's only criticism is so ridiculous that he is constrained to laugh at it himself. (Cheers.) The honourable member for London's equally visionary criticism I will refer to later on.

The financial basis of Confederation, and the general principle upon which the subsidies to the different Provinces was arranged, kept in view the claim of the smaller Provinces to special consideration. The specific grants for civil government, and legislation, were not upon a scale of a uniform rate upon population, but the grants to the smaller Provinces were made proportionately larger, recognizing that these services



would necessarily be higher proportionately to population, than in the larger Provinces. The original grants and subsidies to the four Provinces then confederated were :—

	Population.	Subsidy. 80c. a head.	Allowance for Civil Government and Legislation.
Ontario.....	1,396,091	\$1,116,872	\$80,000
Quebec.....	1,111,596	889,252	70,000
Nova Scotia.....	338,857	331,085	60,000
New Brunswick.....	252,047	201,637	50,000

These were to be final and unalterable. They were to be fixed by an Imperial statute which Canada was supposed to have no power to alter or amend. This was the promise that was definitely made to Canada's representatives when the scheme was submitted, and they were accepted as a finality. But hardly was the ink dry, before demands were made on the Dominion by other Provinces for a readjustment of their subsidies, and for special grants to individual Provinces, beyond the sums agreed to in the Imperial Act. These demands were acceded to, and the sanctity of the compact was violated, and set at naught. First we had Nova Scotia in 1869, when a special grant of \$59,337 of additional subsidy was granted her for ten years, and this was again declared to be final, and to for ever free Canada from all claims in the future on the part of Nova Scotia.

Then in 1873 an increased subsidy of \$150,000 per annum was granted to New Brunswick. It is true this was proposed and granted under the colourable pretext of indemnity for abolishing the export dues on lumber at St. John, the right to levy which had been preserved to the Province by the B. N. A. Act. A portion of these duties were levied upon lumber in transit from the upper waters of the St. John river, situate in the State of Maine. Under the Washington treaty, New Brunswick was obliged to forego the export duty on this American lumber, and the opportunity was taken advantage of to give to New Brunswick a substantial increase of subsidy, far beyond any loss which the abolition of this export duty entailed upon her. It was shewn in the debate upon this question; that the total amount of duty collected by New Brunswick before the reciprocity treaty of 1854 went into operation was in 1853, \$79,000; in 1854, \$82,000; and in 1855 after the treaty went into operation, the amount collected was only reduced to \$65,922, showing only a loss of \$17,000. Mr. Tilley estimated the loss at \$20,000. It was also stated that some lumber was cut in the Province of Quebec and floated down, but this was a very uncertain quantity. The highest estimate of the loss to New Brunswick was \$30,000 yet she was granted \$150,000 a year for ever, as indemnity for the loss of this \$30,000, which, in the natural course of a few years, would be exhausted. The fact was, New Brunswick was in straightened circumstances, the political support of New Brunswick was desired by the Government, and some excuse for an increased subsidy had to be found.

During this same year the balance of debt of old Canada (Ontario and Quebec), \$10,506,088 was assumed by the Dominion, and proportionate increases were carefully given to all the other Provinces.

In the same year the temporary increase of \$59,337 granted to Nova Scotia for ten years was made permanent.

In 1876 an increased subsidy of \$26,746 was granted to Manitoba for six years.

And in 1879 Manitoba's subsidy was again increased by \$15,653 per annum.

Again in 1882 a further annual increase was given to Manitoba of \$109,347. Her grant for civil government and legislation, was raised from \$13,000 to \$50,000, and the

80 cents per head was allowed upon a fictitious population of 150,000, while the actual population by the census of the previous year was only 65,954, and an annual grant of \$45,000 per annum was given her in lieu of public lands.

In 1884 a return was made to Ontario and Quebec of the interest which they had paid to the Dominion on the surplus debt of \$10,506,000 assumed by the Act of 1873, and again scrupulous care was taken to give all the other Provinces a full equivalent.—Hon. gentlemen opposite say much more than a full equivalent. I may here say that the only modification of the original terms of Confederation, made in favour of Ontario, and the only advantage she has derived from any such modification is through this assumption of the surplus debt of Canada, for which a full proportionate advantage was secured to all the other Provinces. While every other Province has, through various pretexts been granted special allowances and increases, for which no equivalent has been granted to Ontario. In other words, Ontario has never received any special or exclusive assistance or allowance, while she has been obliged to contribute to special increases given to every one of the other Provinces.

During the same year a special grant was given to Quebec of \$2,396,000 as reimbursement of Provincial aid or bonus, given to a local railroad, on the plea that it was not purely a local work, but of general advantage to the Dominion, while Ontario was refused allowance of a single dollar in return of all the aid she had given, both through the Provincial Treasury and the municipalities to the construction of railroads, which the Dominion declared by the Act of 1882 assuming them, were also for the general advantage of the Dominion. The circumstances of the Quebec grant are well known. It was the result of the celebrated revolt in room number eight, when the Quebec contingent supporting the Government took the stand, that the Canadian Pacific resolutions providing for the grant or loan of thirty millions, should not go through unless Quebec got this subsidy,

By the Act of 1885, Manitoba was again granted important additional subsidies.

1st. She was granted all the swamp lands in the Province.

2nd. She was granted 150,000 acres of good land to endow her University.

3rd. The allowance for want of public lands was increased from \$45,000 to \$100,000 per annum.

4th. The 80 cents per head allowed for subsidy was to be allowed on her increasing population, as shown by census every five years, instead of ten, until her population reached 400,000.

5th. \$3,113,333 was added to her capital, upon which she was to receive interest. This is equal to an additional annual subsidy of \$155,666. So that, altogether, besides the lands granted, this statute gave her an additional cash subsidy of \$210,000 per annum.

Let me say here, that we must in justice recognize that Manitoba and British Columbia, new provinces in the embryo state, can hardly be treated exactly on the same lines as the old provinces, but the financial concessions made to Manitoba have been more than generous—they have been lavish. While it was generally recognized that Manitoba was entitled to some recognition on account of not having been given the public lands in the province, that recognition by the grant of \$100,000 per annum in perpetuity in lieu of lands, has placed her in a far better position than if she had been given the lands, and far better than any other province that has the control of its lands. The \$100,000 annually granted by the Dominion is equal to \$1.50 per head of her population. Ontario's gross receipts from her lands only averages her about 40c. per head, and out of this has to be taken the costs of survey, sale and management; while Manitoba gets her \$100,000 clear without any expenses of management to deduct. Why, if Manitoba had been given all the lands in the province, and managed them as the Dominion has done, she would not have a dollar of clear revenue from them. The same remark will apply to the extravagant grant of \$100,000 per annum given to British Columbia for the land in that Province taken for the Canadian Pacific Railway.

Lastly, in 1887, an additional annual grant of \$20,000 per annum was given to Prince Edward Island.

Now, Mr. Speaker, in reciting these various additional grants and subsidies, I am not arguing, that in every case they were unjustifiable, corrupt, or unnecessary. The impecunious position of some of the provinces, in some cases necessitated relief in some form from their financial embarrassment, and the political exigencies of the Federal government made it difficult to resist the demands; but my purpose is to point out that such a system of capricious assistance, is pernicious in principle, improvident in its effects, and has been decidedly unjust to Ontario. (Applause).

Then there has been another system of subsidies that has also been doing injustice to Ontario. I mean railway subsidies. I have on a former occasion directed the attention of the House to this subject; but since then, another year's operation of this unjust system has but aggravated the injustice to this Province. The total railway subsidies for local railways, voted by the Dominion since the assumption of local railways by the Dominion in 1882, has been \$21,627,365, of which the votes to Ontario railways amount to \$3,641,200; to Quebec, \$11,768,565; Nova Scotia, \$2,711,000; New Brunswick, \$3,506,600. From which it will be seen that the small province of New Brunswick, with a population of but 321,000, has got as much as Ontario, and the Province of Quebec, although less in population, nearly four times as much, although it is unnecessary to remind the House that this province contributes the largest part to the Federal exchequer from which these grants are paid.

Now, the honourable the leader of the Opposition has taken the ground, that it was not profitable for Ontario to seek increase of the subsidies, for the reason that Ontario was now paying two-thirds of the revenue of the Dominion, and therefore she would lose more than she would gain by such an increase. (Hear, hear, from the Opposition.) Honourable gentlemen say hear, hear, from which it appears that they commit themselves definitely to that opinion. So much the worse for them. (Government applause.) The honourable gentleman had quoted from a speech of the Honourable Mr. Mackenzie in support of his statement. Now, the honourable gentleman was not dealing frankly or candidly with the House. No man understanding the English language could read Mr. Mackenzie's words and say he was referring in the quotation given, to Ontario's contributions under Confederation, but to her position in the old union, from which Confederation is supposed to have freed her. Let me read the quotation. "It was the constant complaint of the Upper Province *prior to 1867* that we were subjected to undue influences as a people; we were, unlike our French friends in the Lower Province, unable to unite when sectional interests became a matter of dispute, while they were able by their unity to overwhelm a majority from the western division, when aided by a small minority from the west. This was also the case in other matters besides the merely political measures of the time. It also placed us in an inferior position financially. We contributed from two-thirds to three-fourths of the taxation of the country, and we were always unable to obtain for local purposes such as we tax ourselves for now under the present system half of the entire revenue of the United Province. *This was the condition of affairs that, independent of the other, and in my opinion the paramount object—the political one—required to be changed, and I believe the change effected in both respects by the Confederation of the Provinces was one that was extremely beneficial to us as a Province.*"

Now, I ask, was the honourable gentleman dealing candidly by the House in representing Mr. Mackenzie as saying that we were paying two-thirds under Confederation, when his remarks were clearly referring to the injustice from which Ontario suffered under the old system prior to Confederation, and from which Mr. Mackenzie said Confederation had relieved us.

Mr. MEREDITH.—Does the honourable gentleman say we are not paying two thirds?

Mr. ROSS.—Does the honourable gentlemen say we are? He apparently does. If so, how is it that he has remained quiescent and silent so long under the enormous injustice from which the province has been suffering? (Cheers.) The honourable gentleman admits that in his opinion Ontario under Confederation has been paying two-thirds of the revenue, and the accounts show that we have not been receiving even nearly one-half of the expenditure; that, according to his own belief, Ontario has been contributing two-thirds to the enormous expenditure undertaken by the Dominion, mainly for the benefit of the other provinces, and in which Ontario has but a minor interest, and that he has never



raised his voice against this injustice. (Hear, hear.) The honourable gentleman has definitely taken that position. Let him maintain before the people that he has been doing his duty, if he can. Let us refer to some of the Dominion expenditures of which, according to the honourable gentleman's contention, Ontario has been paying two-thirds. First, the nett debt of the Dominion is placed at \$227,000,000, and, according to the honourable gentleman's contention, Ontario must shoulder \$151,000,000 of that enormous burden saddled upon the people by the extravagance and folly of the honourable gentleman's friends. (Hear, hear). Then, for the Intercolonial Railway, in which Ontario had but little direct interest, \$32,000,000 was spent, of which, according to the honourable gentleman's belief, Ontario contributed \$21,000,000. Then the protection of the fisheries on the seacoast cost us annually \$415,000. Although Ontario had no direct interest, yet the hon. gentleman says Ontario has to pay \$276,000 a-year towards this service. Take the Dominion expenditure for immigration, mainly for the purpose of filling up the North-West, \$462,000 annually is spent; and although to the Ontario farmer this directly has the effect of bringing large quantities of cheap western grown wheat in direct competition with his own product and forcing down its price, yet, according to the honourable gentleman, the Ontario farmer contributes \$318,000 of this amount to create competition with himself.

Mr. MEREDITH here interrupted Mr. Ross, and stated that a serious charge had been made against him to the effect that he had misled the house in regard to Mr. Mackenzie's words which he had quoted, as to Ontario paying two-thirds of the revenue. He begged to quote again from Mr. Mackenzie, who, in his budget speech in 1872, said, "There can be no question that the larger and wealthier portion of every country will always have to contribute considerably more than its share towards the public expenses involved in the administration of its affairs."

Hon. Mr. Ross.—Well, upon my word, Mr. Speaker, I sat down with fear and trembling, thinking I was to be squelched and annihilated by some conclusive quotation from Mr. Mackenzie, (Loud cheers). Had anybody ever disputed that Ontario being the larger Province was paying a larger share to the dominion revenue than any other Province? I have myself again and again found fault with the manner in which Ontario was treated, that being the largest Province it was contributing more than the others, and getting less in proportion than they, and while we on this side were protesting against this injustice, the honourable gentleman was dumb and gave us no assistance, but excused his friends by reminding us that we were building up a great Dominion. But the quotation which the honourable gentleman now gave, did not help him out of the awkward position he had placed himself in. It did not relieve him from the charge; that he had quoted Mr. Mackenzie as stating that the Province at the present time contributed two-thirds of the revenue of the Dominion, though he must have known when he did so that the quotation had reference to the position of the Province before Confederation. (Cheers). When I was interrupted by the hon. gentleman I was giving some instances of how Ontario was being bled if the hon. gentleman's two-third estimate was correct. I have a few more to give. Take the case of the Dominion Liquor License Act, under which the Dominion sought to deprive this Province of its jurisdiction and revenue. The abortive attempt cost \$150,000, and according to the hon. gentleman, Ontario had to contribute \$100,000 of it towards the attempt at her own despoilment. (Hear, hear.) Then the Franchise Act, condemned even by hon. gentlemen opposite, cost \$400,000. Ontario's contribution on the two-thirds rule would be \$266,000 of that. The North-West rebellion cost \$5,000,000. Ontario was obliged to pay \$3,300,000 of that as the result of the "cruel neglect and incompetence which brought that about." The Canadian Pacific Railway had received in cash \$62,000,000, mainly for the opening up and benefit of Manitoba and British Columbia. If the hon. gentleman's calculation was correct Ontario had contributed \$40,000,000 of that. Then in the matter of the present subsidies, according to the hon. gentleman's contention, of the \$4,182,000 now paid to the several provinces, Ontario was contributing \$2,788,000, and as she was only receiving \$1,339,287, she was actually, under present arrangement, paying more than two dollars for every dollar she received. And yet the hon. gentleman has been criminally silent, and never raised his voice until now on behalf of Ontario. Has the hon. gentleman acted as a "true son of Ontario?" (cheers) in re-

maining silent and dumb, and not making any effort or protest to have his Province relieved of this terrible burden? But now, forsooth, that they had a proposition, that if accepted and acted upon, would place Ontario in a better position than ever before, which would for the first time give recognition of her larger and increasing population, he asks, "Is it politic for you to ask for or consent to an increase because you are already paying more than you receive?" (Applause) Now, considering the proportion which he believes Ontario pays, either the long continued silence of the hon. gentleman was criminal, or he is insincere in raising his voice at the present time. (Cheers.) Now, Mr. Speaker, coming back to the consideration of the manner in which year after year the original terms of Confederation have been interfered with, I desire to say that these repeated breaches of the original compact, are in direct opposition to the pledges made when the Provinces were invited to accede to the terms of Confederation. The Provinces were given clearly to understand that the terms proposed were to be final. The hon. gentleman had quoted the Hon. George Brown in favor of the Provinces meeting increased expenditure from local sources, but he never quoted him when the special grants were being made to the other Provinces. I will read to the House the same quotation, showing Mr. Brown clearly conceived the subsidies fixed and final, and if Provinces were extravagant they had to take the consequences. Mr. Brown had said:—

"We have also complained that immense sums of public money have been systematically taken from the public chest for local purposes of Lower Canada, in which the people of Upper Canada had no interest whatever, though compelled to contribute three-fourths of the cash. Well, sir, this scheme banishes all that. All local matters are to be banished from the general Legislature; Local Governments are to have control over local affairs, and if our friends in Lower Canada choose to be extravagant, they will have to bear the burden of it themselves. No longer shall we have to complain that one section pays the cash while the other spends it; hereafter they who pay will spend, and they who spend more than they ought will have to bear the brunt. Let this, too, ever be kept in mind that the \$2,630,000 to be distributed to the Local Governments from the federal chest is to be in full and final extinguishment of all claims hereafter for local purposes; and that if this from any cause does not suffice, the Local Governments must supply all deficiencies from direct tax on their own localities."

Now, Ontario would not have objected if the Provinces had all been thrown on their own resources. What Ontario did object to was, that when the other Provinces got into difficulties, the Dominion had granted them relief out of the common capital. And thoughtful men in all the Provinces are beginning to recognize that this state of things cannot continue, that this capricious system of aiding the Provinces is improvident and demoralizing. That if Confederation is to be maintained, the aid granted from the Dominion exchequer must be based upon some well defined, fixed and equitable principle, which in some measure will accommodate itself to the growth of population, and the relative positions that the different Provinces occupy in the partnership, and which will be absolutely final.

To show clearly that the original terms were intended to be final, let me quote two others of the promoters of Confederation. Mr. Galt, the then Finance Minister, said, as reported in the Confederation debates:—

"And it must be observed that the agreement does not contemplate any future extension of this amount. It is hoped that being in itself fixed and permanent in its character, the local government will see the importance—I may say the necessity—of their exercising a rigid and proper control over the expenditure of their several Provinces."

Hon. D'Arcy McGee also gave assurances of finality in the following words:—

"These details are before you. It is not in our power to alter any of them even if the House desires it. If the House desires, it can reject the treaty, but we cannot, nor can the other Provinces which took part in the negotiation, consent that it shall be altered in the slightest particular. \* \* We go to the Imperial Government, the common arbiter of us all—we go there to ask for our fundamental charter. We hope by having that charter, that can only be amended by the authority that made it, that we will lay the basis of permanency for our future government."

Ontario would, I believe, have been content to abide by the original terms of the Confederation Act, if it had been adhered to in regard to the other provinces. She has been prudent and economical in the administration of her finances. She has educated her people to a large measure of local municipal government, and provision by local taxation for local needs, and has thus relieved the provincial treasury from many expenditures which are defrayed in other provinces from provincial revenues. The result is, that she has not



undertaken obligations that have involved her in debt, and she has been able to restrain her expenditure within the limits of her resources; while nearly all the other provinces have been in financial difficulties through their almost entire assumption of all local expenditures by the province, and instead of seeking relief by an extension of the municipal system, and local taxation, as is in operation in Ontario, they have sought relief by drafts upon the Federal treasury. The fact is, that Ontario's prudent management and her self-reliant system has been used against her to her detriment. She is the frugal partner who has confined her personal expenditure within her allotted allowance, who has compelled every member of her family to contribute to the household expenses, and has thus been able to pay her way. While her more improvident partners, through an over-indulgent paternal liberality, have not only fed and clothed the grown-up members of the family, but supplied even the pin money from the partnership allowance; and when financial difficulty and debt result, ask special relief out of the partnership capital.

It seems to be believed by many in the other provinces, that Ontario's better financial position to-day, as compared with the other provinces, is in some way due to some advantage which she obtained in the Confederation scheme. A comparison of what is done by the Government and municipalities respectively, in this and the other provinces, may help to dispel this erroneous impression; and I think, therefore, it will not be amiss to direct the attention of the House to what our people in Ontario do through their municipal councils, and the amount of local taxation they impose upon themselves. and also try, if possible, to gain some idea of what is done in the other provinces in the same way. I confess that the information I have been able to obtain in regard to the other provinces is limited, and not as satisfactory as I could wish. I should have been glad if I had been able to give the House some full and accurate information, as to the municipal expenditure in the other provinces. I have made an endeavour to find that out, but the information obtained is, I must say, meagre and incomplete. I have not been able to find any published reports of municipal receipts or expenditures in any of the sessional papers of the other provinces, but I addressed communications to a number of the treasurers of counties in Quebec and the maritime provinces, asking for copies of any published or printed statements of their municipal receipts and expenditures. The response has been very meagre. In most cases the reply has been, "No such reports have been printed or are on hand." In Nova Scotia and New Brunswick they seem to have county municipalities, and a few of their more important towns and cities have municipal organization, but they do not appear to have any township municipalities. The whole municipal management, outside of the cities and towns, appears to be through the county council, and covers—so far as they are covered at all—all the classes of expenditure dealt with in Ontario both by county, township and village councils.

I have not much information as to the municipal system in operation in Quebec. It must, I think, be very limited as compared with Ontario, as the only response to a number of requests for copies of receipts and expenditures addressed to treasurers of counties, was from the County of Le Islet, the treasurer of which says, "they have no printed reports, but that last year the receipts of the county were \$90, and the expenditure the same."

In Prince Edward Island they have neither county or township municipalities. The only municipal corporations in the province are the towns of Charlottetown and Summerside.

But even the material we have, meagre although it is, affords some data for comparison. Taking the counties of Kent, in New Brunswick, and Pictou, Lunenburg and Inverness, in Nova Scotia—the only ones from whom I have received statements of receipts and expenditures—as examples of county financial operations in these provinces, a mere statement of their expenditures, as compared with Ontario counties, will afford a striking illustration of the extent and magnitude of the work done through our municipalities, as contrasted with the limited scope and application of the system of municipal government and expenditure in these provinces.

The County of Kent, with a population in 1881 of 22,618, shews a total municipal expenditure of \$12,231, of which over one-half, or \$6,693, is for schools, but nothing for roads and bridges. There are no minor municipalities in this county; and here let me ask you to bear in mind, that the expenditure which I quote for these counties is the total



municipal expenditure in the counties, and is not supplemented by any township expenditure within the county, as in Ontario. It represents the total county or rural taxation.

The expenditure of the County of Pictou, with a population of 35,535, is \$32,849, of which \$10,660 is for schools, and nothing for roads and bridges. Included in this county are two town municipalities, Pictou and New Glasgow, the local assessments of which, apart from the county, I have not been able to ascertain. If we assume these as \$10,000, we have \$42,849 as the total municipal expenditure in this county.

The County of Lunenburg, in N. S., having a population of 28,583, gives a total county expenditure of \$12,249, of which \$6,780 is for schools, and \$232 for roads. This county contains one minor municipality, the district of Chester, with a population of 2,974. I do not know what its municipal expenditure is, but I see in the county statement, Chester credited with its proportion of the county expenditure for administration of justice, as \$149 out of \$798, and I should therefore suppose \$4,000 a liberal allowance for its local taxation. This would give a total for that county of \$16,249.

My information from the County of Inverness, N. S., merely gives the total municipal expenditure as \$18,248, with no other detail. Its population is 25,651.

Now, taking the County of Kent, in N. B., as illustrative of the municipalities in that province, it would indicate a municipal expenditure of 54 cents per head of the population, outside of city expenditure, which I eliminate from my comparisons.

The three counties in Nova Scotia, in the same way, would indicate a total municipal expenditure, outside of cities, of 86 cents per head, and the average expenditure for each county would be \$25,782.

Let us see, now, what the municipal statistics of Ontario show, and for this I take the municipal returns of 1883, as we have no tabulated returns of a later date.

Our total municipal expenditure foots up \$14,325,000, equal to \$7.50 per head of our population, but this includes cities. Deducting city expenditure, \$4,679,000, leaves \$9,646,000 as the expenditure in the counties, which gives an average municipal expenditure to each county of \$219,227, equal to \$5.94 per head. But as our counties are larger in Ontario, averaging a population of 38,000, while those in Nova Scotia and New Brunswick, with which we are making comparisons, average about 30,000, the comparison would give \$170,000 as the municipal expenditure for a county of the same size as those in these provinces, against their expenditure of \$25,000 for a similar county, and a rate per head of only 86 cents against ours of \$5.94.

The two largest items of municipal expenditure in Ontario are for schools and roads and bridges. It may be instructive to see the expenditure for these two services relatively in Ontario and the Lower Provinces, both by the Provincial Government and by the people through local municipal taxation.

First as to roads and bridges. The municipal expenditure in Ontario for these, not including city expenditure is \$1,176,878, equal to an expenditure in each County of \$29,000, or 61 cents per head of the population. I think from the information already given as gathered from the statements received from the Maritime Provinces, it may safely be said they have practically no municipal expenditure for this purpose. The only apparent local contribution to roads and bridges is by statute labour, but as we in Ontario have a statute labour system outside of the municipal taxation above referred to, quite as onerous as in the other Provinces, I do not include that in the comparison.

Secondly, let us see what is the Government expenditure for roads and bridges in the several Provinces.

In Ontario the expenditure is confined exclusively to colonization roads in new and unorganized districts, and was last year \$123,000. In Quebec, the last public accounts shews an expenditure by Government of \$161,205 mainly for colonization roads but not confined to these wholly, but embracing expenditure on roads in old settled parts of the Province.

In Nova Scotia the expenditure by the Provincial Government in 1886 was \$243,803, which apparently covers all road and bridges expenditure in rural parts of the Province both for construction and repairs.

In New Brunswick the Government expenditure was \$165,509 for local roads and bridges.

In Prince Edward Island \$40,000 was similarly expended by the Government.

Taking this expenditure on the basis of population, it shews an expenditure by Government for roads and bridges of  $6\frac{1}{2}$  cents per head in Ontario. In Quebec  $11\frac{1}{2}$  cents. In Nova Scotia, 55 cents. In New Brunswick, 53 cents, and Prince Edward Island, 37 cents. Taking the average of the Maritime Provinces it shews a Government expenditure of 50 cents, and no municipal; against a Government expenditure in Ontario of  $6\frac{1}{2}$  cents, and a municipal expenditure of 61 cents. Now, if Ontario had been spending 50 cents a head for local roads and bridges as in the lower Provinces, it would have added \$846,000 annually to her expenditure, and I fear her position would be similar to that of the other Provinces. She would have no surplus and a respectable debt. (Hear, hear).

Let us now examine the expenditure for schools under the Public School system which does not include colleges, or universities in any of the Provinces. The total educational expenditure in Ontario is given in the Educational Report for 1885, as by Government, \$533,564; by local contribution, \$3,451,989, or a total of \$3,985,553; but the information in the educational reports of the other Provinces only enables me to make a fair comparison of the amounts contributed by Government and local assessment respectively, directly for Public School purposes. Within this limitation Ontario's contributions have been: Government grant to Public Schools, \$350,587; municipal assessment, \$2,922,003; or taking the population basis, the Government in Ontario contributed 18 cents per head towards the support of Public Schools, and the municipalities \$1.52, or in the proportion of 1 to 8.

In Quebec, the total Government grant to education is \$344,735. The direct allotment of this to Public Schools is \$249,417. The municipal contributions \$777,178, or on the basis of population the Government grant is 18 cents per head—the same as in Ontario—and the municipal assessment 57 cents, as against \$1.52 in Ontario.

In Nova Scotia, the total educational expenditure disbursed by the Province is \$209,833. The direct grants to Public Schools, \$199,119; and the local assessments in support of the same \$42,331, equal to 45 cents per head by Government and \$1 by the municipalities.

In New Brunswick, total to education is, Government, \$153,925; of which \$132,493 is direct grants to Public Schools, and the assessments or local aid is \$94,507, or Government 41 cents per head; municipal 30, cents.

The Government of Prince Edward Island devote \$111,992 to support of education, \$101,335 of which goes in grants to public schools, and the municipal assessments amount to \$36,786. The government contribution equaling 93 cents per head, and the municipal 33 cents. The average government contribution in the Maritime Provinces is therefore 50 cents per head, and the average municipal, 65 cents. The government grants in Ontario being but 18 cents a head, it will be seen that the grants in the Maritime Provinces are 32 cents a head larger than in Ontario.

Now if Ontario had since Confederation been pursuing the policy of these lower Provinces, and relieved the people of their municipal taxation for schools by 32 cents a head more than she has already done, instead of being in the position she is in to-day with a surplus in her treasury, she would have found that surplus wiped out years ago, and would have saddled herself with a debt of five or six millions instead. It is but just to say, however, in this connection, that no charge of extravagance in expenditure can justly be made against the people of the Maritime Provinces. They are economical and careful both in provincial and municipal expenditure. Their error has been in the Government assuming too large a proportion of purely local work. It is also but just to say that in one particular, the maintenance of the insane, both in Nova Scotia and in Quebec, they have made provision for throwing a portion of the cost upon the municipalities, while we in Ontario throw the whole cost on the Government.

I have thought it opportune to bring these comparisons before the notice of the House, because it seems to be accepted as a settled belief by the people of the other Provinces that the terms of Confederation were exceptionally favorable to Ontario, and that her better financial position to-day is due more to some advantage which she obtained over the other Provinces rather than to her economical administration, her prudence in limiting her expenditure to her revenue, and to the more thorough appreciation



and acceptance by her people of the principle of self help and local municipal expenditure, which has rendered this limitation of Government expenditure possible. This belief in the supposed advantage to Ontario in the scheme of Confederation, appears to be shared in by the Federal authorities, as it is only on that supposition that they could have justified the special grants to the other Provinces, and hence the unfairness with which Ontario has been treated. This system of special grants to one Province is an injustice to the others, more especially is it an injustice to Ontario, as she is the largest contributor to the Federal treasury. She desires to put a stop to this system, and although she has not received justice in the past, and although the relations between the people and the Federal Government have been greatly changed since Confederation, the increased taxation imposed by that Government rendering the people less able to meet the requirements of the increasing Provincial expenditure. I believe Ontario might even have been willing to accept as final the present situation, if any assurance could be given that the finality would be observed. Her representatives at the late conference found that these assurances could not be given, and the only way to reach a finality and preserve Confederation, was by some re-arrangement of the Provincial subsidies, which would by a small increase, make provision for the present increased scale of Provincial expenditure, resulting from increased population, without which, some of the Provinces would be obliged to resort to direct taxation; a measure which, from the existing feeling of irritation and dissatisfaction in some of the Provinces in regard to the working of the confederation plan, it was represented would very seriously intensify that dissatisfaction, and tend to a disruption of the union. Such were the conditions and responsibilities under which the Ontario representatives, and indeed all the representatives at the conference, approached the consideration of the financial relations of the Provinces and the Dominion, and endeavored to formulate some scheme which would meet the requirements within reasonable limits, and do justice to all. The scheme which was adopted, and which in the 17th resolution is now submitted to the Legislature for approval involves no new feature, or introduces any new principle. It is merely an extension and adaptation of the principles—and on the lines—upon which the original financial arrangements were based. There is no doubt but it was the intention of the framers of the original Confederation scheme to provide from the Federal treasury a sufficient sum to each Province to meet its necessary local expenditure. We know this from the confederation debates, and we know, that in view of what was then the prospective revenues of the Dominion, that the allowances were cut down to the lowest figure; below what the Provinces thought they ought to receive, and we know also that the danger of making these grants inadequate was then foreshadowed. Let me quote from Mr. Brown on these points:

“We asked the representatives of the different Governments to estimate how much they would require after the inauguration of the federal system to carry on their local machinery. As at first presented to us, the annual sum required for all the Provinces was something like five millions of dollars—an amount that could not possibly have been allotted. The course we adopted then was this: We formed a committee of Finance Ministers, and made each of them go over his list of expenditures, lopping off all unnecessary services and cutting down every item to the lowest possible figure. By this means we succeeded in reducing the total annual subsidy required for local government to the sum of \$2,630,000.”

Let me also give what Mr. Galt said on the same subject:—

“I now propose, sir, to refer to the means which will be at the disposal of the several Local Governments to enable them to administer the various matters of public policy which it is proposed to entrust to them, and it is evident that unless ample provision is made in the arrangements, great danger will arise that the machinery whereby the local wants of the people are intended to be met will speedily become impaired, causing complaint on the part of the inhabitants of the respective localities, and involving considerable danger to the whole machinery of government.”

And again:

“In transferring to the general government all the large sources of revenue, and in placing in their hand, with a single exception, that of direct taxation, all the means whereby the industry of the people may be made to contribute to the wants of the state, it must be evident to everyone that some portion of the resources thus placed at the disposal of the general Government must in some form or other be available to supply the hiatus that would otherwise take place between the sources of local revenue and the demands of local expenditure. The members of the conference considered this question with the most earnest desire to reduce to the lowest possible limits the sum that was thus required, and I think the figures that I have already given to the House afford the best possible evidence that no disposition existed, at any rate on the part of our friends from the Lower Provinces, to take from the public exchequer one shilling more than the necessities of their respective communities absolutely demanded.”

It was clearly also the intention of the Act, that the cost in the Provinces of Civil Government and Legislation, should be provided for by a specific grant for those services. The grants made for this purpose in the Act were for Ontario \$80,000, Quebec \$70,000, Nova Scotia \$60,000, and New Brunswick \$50,000. These grants are found to be totally inadequate to meet the services. The very first year in Ontario under the admittedly economical administration of Sandfield Macdonald, the expenditure was found to be double the amount allowed. Last year the expenditure in Ontario for these services was \$312,000, and in Quebec \$397,000. The proposal of the conference is to make a moderate increase in those allowances, extending in favor of the smaller Provinces, the admission in the original scheme, that the expenditure for these services must in these be, proportionately to population, greater than in the larger. These allowances are graded upon a scale of increasing population governing the future, so as to close the door against special allowances outside of the scale of increase provided for. (Hear, hear.)

Let me give that portion of the resolution governing the allowances :—

(A) Instead of the amounts now paid, the sums hereafter payable yearly by Canada to the several Provinces for the support of their Governments and Legislatures, to be according to population and as follows :—

- (a) Where the population is under 150,000 .....\$100,000
- (b) Where the population is 150,000 but does not exceed 200,000. 150,000
- (c) Where the population is 200,000 but does not exceed 400,000. 180,000
- (d) Where the population is 400,000 but does not exceed 800,000. 190,000
- (e) Where the population is 800,000 but does not exceed 1,500,000. 220,000
- (f) Where the population exceeds 1,500,000..... 240,000

Then again the principle of population governing the subsidies, was recognized in the original scheme. It was recognized that a more populous provinceshould receive a largersubsidy than one having a smaller population. But if a subsidy is to be based on population at all, it seems logical that it should be on that population as it increases. The only condition under which such would not be equitable would be, if the Federal revenues had not increased with the increase of population. No such conditions exist to bar the extension of a just principle. On the contrary, Federal revenues have largely increased, while our provincial subsidy has remained stationary. It must not be forgotten that the provinces in entering Confederation voluntarily gave up to the Dominion, their Customs, Excise and other revenues, with the condition that out of these, provision should be made for their local wants. These revenues amounted at that time to \$13,716,000. In the words of the resolution—

(2) “ The revenue of the Dominion, at the inception of Confederation, was \$13,716,786, of which 20 per cent., or \$2,753,906 went to the provinces for provincial purposes, 80 per cent., or \$10,962,880, going to the Dominion ; that by increased taxation, on an increased population, the Dominion revenue has been raised from \$13,716,786 to \$33,177,000 ; that, while this increased taxation is paid by the people of the provinces, and the increase of population imposes upon the provinces largely increased burdens, no corresponding increase of subsidy has been granted to them, 13 only, instead of 20 per cent. of the increased revenue of the Dominion, or \$4,182,525, being now allowed to the provinces, while, instead of 80 per cent., 87 per cent., or \$28,994,475, is retained by the Dominion.”

The honourable leader of the Opposition objected to the total revenue being taken instead of customs and excise only, claiming that the other revenues were in no sense taxation or had been increased by taxation. He said it was grossly misleading to say that the \$33,000,000 were taken out of the pockets of the people, and he instanced the post-office revenue as included in that which was not taken out of the pockets of the people. Well, let us consider the honourable gentleman's objection.

But first, let me say, that if we had desired only to make an effective contrast between the proportion allotted to the province at Confederation and now, we could have done it more effectively by taking the customs and excise alone, than by taking the whole revenue.



Taking these revenues alone it would have shown an allotment of 23 per cent. to the provinces then, and 15 per cent. now ; to the Dominion 77 per cent. then, and 85 per cent. now, or a difference of 8 per cent. less to the provinces, and 8 per cent. more to the Dominion, instead of a difference of 7 per cent., as stated in the resolution. It was not from a desire to exaggerate, therefore, that it was so stated. (Hear, hear.) And now for the post-office illustration. I find that the receipts from the post-office in 1867 were \$525,691 ; they are now \$2,020,623, an increase of \$1,494,932. That increase has been secured by largely increased outlay. The post-office expenditure has increased from \$616,802 in 1867 to—including the ocean mail subsidies—\$3,092,403, or an increase in expenditure of \$2,475,601. Who has paid that increased revenue, and that increased expenditure which has secured it? Have both not come out of the pockets of the people? (Cheers.)

The revenue from railways and public works has been raised from \$901,000 to \$3,270,780, paid by tolls or taxes from the people, and the increase brought about by an expenditure of about \$140,000,000. Take, amongst the smaller revenues, Fishery licenses,—are these not taxation?—raised from \$19,556 to \$25,947 ; or Weights and Measures,—taxation again!—raised from nothing in 1867 to \$62,600 ; Tonnage dues from \$11,918 to \$22,934. Are not these increased revenues, increased taxation? (Cheers.) I might go on, Mr. Speaker, and enumerate a dozen more items of the same character, all included in the \$33,000,000, but outside of customs and excise. Coming back to the consideration of the proportions allotted then and now to the provinces and the Dominion, and bearing in mind that Ontario, being the most populous, is the largest contributor to the Federal revenue. The Dominion revenue at Federation was equal to \$4.16 per head of the population. Ontario received then 86 cents per head. Now the Dominion revenue is \$7.77 per head, or an increase of \$3.61, while Ontario is now only receiving 69 cents, or a reduction of 17 cents per head. This is because Ontario's increasing population is swelling the Dominion revenue, without any increase to herself. The proposition in the resolution is, that Ontario's increase in population shall be recognized by an increase of \$581,700. The leader of the Opposition had in his speech made a little epigram, which seemed to take greatly with his followers: That "Mr. Mowat had got the glory, but that Quebec had got the money." The little phrase loses its point when it loses its foundation of fact. If the honourable gentleman had examined the resolution and worked it out, he would have seen not only that our Premier had got the glory, to which he was well entitled, but that he had got the money also—(loud cheers.)—for not only would he have seen that Ontario got absolutely a larger grant than Quebec—Ontario's increase being \$581,700, and Quebec's \$347,969—but that, taking the increase per head of population, Ontario got 30 cents increase, Quebec but 25 cents ; but this was merely owing to Ontario's larger increase of population. The proposed extension of the 80 cents to population put both provinces on an equal footing. This is the second proposition in the resolution, that the 80 cents shall be payable on the population as shown every census, with the proviso that after the population of a province exceeds 2,500,000, only 60 cents shall be paid upon the excess.

There can be no doubt, but that if the revenue assigned to the Dominion at Confederation had been as large as it is now, the provinces would have stipulated for a much larger sum being returned to them for provincial purposes. The former quotation given from Mr. Brown, that by pressure the demands of the provinces were reduced one-half, I think proves that. It is true that the necessary expenses of the Dominion increases with the increase of population, but that increase of population brings to her treasury an equal or greater increase of revenue. To the Provinces, on the other hand, the larger population brings only increase of expenditure, without any increase of revenue. Ontario had in the past expended large sums for immigration, and to attract settlers on her wild lands. She had adopted the policy of giving away her lands free for the purpose of inducing settlement. Every additional settler located by these means, brings to the Dominion increased revenue, to the Province only increased expenditure. Every head of a family thus located, according to the present scale of taxation, contributes to the Dominion revenue \$29.65 yearly, to the Province nothing. It is well known, that new settlements are never self-supporting, and the residents of the older settled districts might with some reason object to direct taxation being imposed upon them for provincial expenditure in these new districts, and

the Dominion receive all the benefits of their taxation. A return of the cost of opening up and developing these new districts by the sale of the land might be secured to the province, but Ontario had relinquished such revenue for the sake of building up the Dominion. A reasonable measure of consideration she is entitled to ask in return. (Hear, hear.)

The hon. gentleman asserts that Ontario pays two-thirds of the revenue of the Dominion, and that it is not in her interest to ask any increase of the provincial subsidies; that it would be more profitable for her to raise such additional revenues as may be required by direct taxation. That may be to a certain extent true in the abstract. It is a disadvantage under which Ontario has always been labouring; under which she is suffering to-day. That was the cause of the dissatisfaction before Confederation, and which Mr. Mackenzie hoped Confederation had put an end to; That while Ontario paid more, she received less. The same unfairness is still being pursued. It is to remedy that state of things, the proposal under consideration is made. While the rate per head of customs duties paid by each province may be a matter of dispute, Ontario would have been satisfied if her larger population—about which there could be no dispute—was recognized. The resolutions of the Conference is the first occasion in which Ontario's claim in this respect has been recognized—(cheers)—and yet hon. gentlemen object to it. (Hear, hear.)

It is difficult to ascertain with any degree of accuracy the proportion of customs or excise duty paid by any province. Both the Maritime Provinces and Manitoba contend, that the people of these provinces pay more customs duty per head to-day than do the people of either Quebec or Ontario, and their argument has a measure of logic in it. They say, "While we admit that the people in Ontario and Quebec are wealthier, better off, and spend more per head than our people, yet that these are manufacturing provinces, and that a large portion of that spending, is for goods manufactured in these provinces which pay no duty into the Dominion exchequer." (Opposition hear! hears!) Hon. gentlemen say hear, hear; but if these goods bring nothing into the Federal treasury, they cost just as much to the consumer as if they did, but the extra price does not go into the public chest, but, under the operation of the precious N. P., into the pockets of the combines, the monopolists, the protected manufacturer. (Loud cheers.) The representatives of these provinces, in further support of their argument, say "that their people, not being a manufacturing people, and by reason of distance and cost of carriage being debarred from profitable interchange of commodities with Ontario and Quebec, are by force of circumstances compelled to buy largely of imported goods, and thus contribute more to the Dominion revenue." That argument is to some extent true. Whether it is true to the extent claimed by the representatives of these provinces, may be doubted.

Mr. Norquay, in his budget speech in the Manitoba Legislature in 1884, claimed that the customs collections at the different ports for the period 1874 to 1883 shewed the collections per head of population to be for the nine years: Ontario, \$31.46; Quebec, \$51.65; Nova Scotia, \$34.89; New Brunswick, \$42.10; Manitoba, \$107.62; British Columbia, \$102.76; Prince Edward Island, \$24.14. The collections at the port of entry did not, however, by any means shew where the dutiable goods were consumed, for it was well known that about one-half of the customs collected at the port of Montreal, although credited to Quebec, were on goods forwarded and consumed in Ontario and the other provinces. But admitting that Ontario is still the largest contributor per head, and that provincial subsidies on the basis of population would not be as profitable to her as direct taxation for provincial purposes, still I doubt if any one will contend that, increased subsidies to the other provinces, and direct taxation to Ontario, is for her either profitable or equitable. (Cheers.) Yet that is the existing condition, and I do not recollect that when year after year increased grants have been given to the other provinces, hon. gentlemen ever raised their voice in protest against a practice so unjust to their own province. (Hear, hear.)

It could not be denied that grave dissatisfaction existed in some of the other provinces. One threatened secession, another almost in rebellion. Was it not wise to consider whether some moderate scheme could not be devised to relieve the tension. The fact is, we must recognize the situation, and Ontario must do the best she can under existing conditions. The other provinces will not consent to cease their demands for better terms,



unless some re-arrangement is made that will increase their allowances ; and from past experience we know, that if the time for making demands is judiciously chosen, they will not be denied. Ontario desired finality, and finality can only be obtained through an increase of the present subsidies. No doubt Ontario could reduce her expenditure by shifting the responsibility of some of the services upon the municipalities ; her people are educated in this local responsibility and municipal taxation ; a very slight increase of this would relieve the provincial finances. It may be said, let the other provinces do this also, and relief would be found. To this suggestion the representatives of the lower provinces reply : " The attempt to force an onerous municipal taxation upon our people to relieve the provincial treasury, would create such dissatisfaction that withdrawal from Confederation would be insisted on. Our people are not accustomed to it, they are not educated to it. The Provincial Government have always constructed and maintained the roads and bridges. It did so before Confederation, and was enabled to meet this and all other necessary expenditure under a ten per cent. tariff ; and if the people now under the union, in addition to having to submit to a 35 per cent. tariff—mainly for the benefit of manufacturers in other provinces—have also to submit to heavy municipal taxation to relieve the provincial treasury, the dissatisfaction already existing, would become so intensified, that the people would become a unit in favor of withdrawal from the Dominion." Hon. gentlemen know how difficult it is, suddenly to change the customs and habits of a people, confirmed by generations, or centuries of use and wont.

The conditions and circumstances of these provinces, and the feeling existing there, cannot be ignored. Nor will the past capricious and unjust system of special grants be longer submitted to in Ontario. Some common ground had to be sought that would meet the circumstances and secure finality. That common ground is found in the propositions of the Conference. It has been accepted as an equitable basis of a final settlement by the Governments of five of the most populous provinces in the Union. Finality is secured by the condition that the Imperial Act shall declare this settlement final and absolute, and not within the power of the Federal Parliament to alter, add to, or vary. (Cheers.) The plan, since published, had been discussed by every newspaper in the country, and I think I can say truly that, with the exception of a few partizan sheets, which cannot be expected to concur in anything not proposed by their own party, the Reform press, the Independent press, and the moderate Conservative press, have expressed approval of the plan, and surprise, considering the difficulties that surround such a settlement, that a way has been found to satisfy the provinces, do justice to all, to relieve the Federal treasury from the continual raids to which it has heretofore been subjected, and that upon terms so little onerous to the Dominion. (Applause.)

Hon. gentlemen had charged that the objects and actions of the Conference were partizan in their character. I defy hon. gentlemen to point to a single incident or proceeding in connection with the calling of the Conference, or a single word or proposition in the resolutions that would justify such a charge. And I am sure that if hon. gentlemen will, in the vote they will be called upon to give, as honestly endeavour to divest their judgment of all partizan feeling, as did the representatives at the Conference, they will unanimously cast their vote in support of the resolutions. (Loud and prolonged applause.)









